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Message Text

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PAGE 01 SAN JO 01218 070102 Z

67
ACTION ARA-17

INFO OCT-01 ADP-00 SCEM-02 CIAE-00 DODE-00 PM-09 H-02

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-12 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 SAL-01 OMB-01 FPC-01

CEA-02 STR-08 IGA-02 RSR-01 INRE-00 /163 W
---------- 003319
P 070030 Z APR 73
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 3697

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E. O. 11652: N/ A
TAGS: ENRG, BPRO, CS
SUBJECT: ENERGY CRISIS - POSSIBLE RENTAL OR PURCHASE OF
PRATT WHITNEY GENERATORS

REF: SAN JOSE 1217

PLEASE PASS COMMERCE.

1. FURTHER TO REFTEL, EMBASSY HAS BEEN CONTACTED
BY MANUAL HIDALGO, ASSISTANT MANAGER OF THE
NATIONAL ELECTRICITY INSTITUTE (ICE), WHO IS IN
CHARGE OF THE ELECTRICAL GENERATING DIVISION
OF ICE AND WOULD BE PRIMARY OFFICIAL INVOLVED
IN ANY RENTAL/ SALES CONTRACT.

2. AFTER BEING INFORMED OF ALL THE EMBASSY COULD
SUPPLY IN THE WAY OF TECHNICAL DATA, MR. HIDALGO
INDICATED THAT ICE IS PREPARED TO BUY ONE UNIT
IMMEDIATELY WITH A DOWN PAYMENT OF $200,000
IF SUITABLE MEDIUM- TERM CREDIT COULD
BE PROVIDED. HE INTIMATED THAT THIS CREDIT SHOULD
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BE FOR FIVE YEARS. HIDALGO ALSO INDICATED THAT THE INSTITUTE HAD BEEN PLANNING TO BUY, IN THE NEXT TWO OR THREE YEARS, TWO ADDITIONAL UNITS OF 15 MEGAWATTS CAPACITY EACH FOR USE IN THE LIMON AREA. IF THE CREDIT TERMS WERE RIGHT, IT WOULD ATTEMPT TO MEET THE PRESENT POWER CRISIS IN THE CENTRAL HIGHLANDS AND ALSO ANTICIPATE THE REQUIREMENTS FOR LIMON BY PURCHASING THE TWO ADDITIONAL UNITS NOW. IN REGARD TO THE SECOND AND THIRD UNITS, HIDALGO ENVISAGES DOWN PAYMENT $200,000 FOR EACH UNIT BUT HOPES FOR A GRACE PERIOD OF ONE OR TWO YEARS AND 6-8 YEAR FINANCING. IF ICE IS INTERESTED IN ALL THREE UNITS THE EMBASSY BELIEVES THAT REQUIRING MERELY A 10 PERCENT DOWNPAYMENT WOULD ENCOURAGE THE SALE.

3. THE EMBASSY BELIEVES THAT THIS IS AN EXCELLENT OPPORTUNITY TO SELL ABOUT $5 MILLION IN U. S. GENERATING EQUIPMENT. THE NATIONAL EMERGENCY WOULD MAKE IMMEDIATE PURCHASE POSSIBLE WITHOUT THE DELAYS, HAZARDS AND FRUSTRATIONS THAT ARE PRESENTED IN THE INTERNATIONAL BIDDING PROCESS.

4. ACTION REQUESTED: DEPARTMENTS OF STATE AND COMMERCE ARE REQUESTED TO EXPLORE THE POSSIBILITY OF OBTAINING FROM THE EXIM BANK, A PRELIMIPARY COMMITMENT TO FINANCE THIS SALE. IF THIS COMMITMENT IS FORTHCOMING, WE WOULD CONVEY IT TO ICE IN THE EXPECTATION THAT IT MAY BE FURTHER INCENTIVE TO MAKE THIS PURCHASE.
VAKY

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*** Current Handling Restrictions *** n/a
*** Current Classification *** LIMITED OFFICIAL USE

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Review Event:
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TAGS: BPRO, ENRG, CS
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